



CALIFORNIA BOARD OF ACCOUNTANCY

2000 EVERGREEN STREET, SUITE 250

SACRAMENTO, CA 95815-3832

TELEPHONE: (916) 263-3680

FACSIMILE: (916) 263-3675

WEB ADDRESS: <http://www.dca.ca.gov/cba>



Availability of Modified Text

Regulation Notice from UPDATE #57

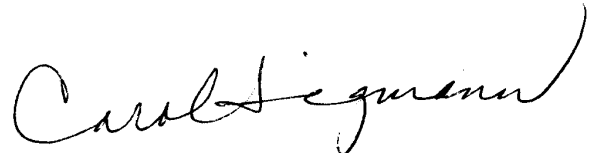
August 16, 2005

AVAILABILITY OF MODIFIED TEXT

NOTICE IS HEREBY GIVEN that the California Board of Accountancy has proposed modifications to the text of Sections 27 and 28 in Title 16 Cal.Code Reg. which were the subject of a regulatory hearing on May 20, 2005. A copy of the modified text is enclosed. Any person who wishes to comment on the proposed modifications may do so by submitting written comments on or before September 6, 2005, to the following:

Aronna Wong, Regulations Coordinator
California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, CA 95815
E-Mail Address: awong@cba.ca.gov

DATED: August 16, 2005

A handwritten signature in cursive script, reading "Carol Sigmann", written in black ink.

Carol Sigmann, Executive Officer

MODIFIED TEXT

Changes to the originally proposed language and first modified text are shown in bold with double underline and italics for new text and in bold with strikeout for deleted text.

Section 27. Qualifications for the Practice Privilege.

To be eligible for a practice privilege, an individual whose principal place of business is not in California and who holds a valid, current license ***certificate, or permit*** to practice public accountancy issued by another state shall meet the requirements of Business and Professions Code Section 5096 including, but not limited to, satisfying one of the following:

(a) Hold a current, valid license, certificate, or permit ~~from a~~ ***issued by another state, if the requirements under which that license, certificate, or permit was issued are deemed by the Board to be determined by the Board to have education, examination, and experience requirements for licensure*** substantially equivalent to the requirements in Business and Professions Code Section 5093;

(b) Possess education, examination, and experience qualifications that have been determined by the Board to be substantially equivalent to the qualifications under Business and Professions Code Section 5093. Pursuant to subdivision (b) of Business and Professions Code Section 5096, the Board accepts individual qualification evaluations of substantial equivalency by the National Association of State Boards of Accountancy's (NASBA's) CredentialNet. Prior to seeking a practice privilege under this paragraph, an individual shall apply to NASBA's CredentialNet, pay the required fee, and obtain the required substantial equivalency determination. The individual shall report the NASBA file number on the Notification Form submitted pursuant to Section 28 and shall authorize the Board to review the NASBA file upon request; or

(c) Have continually practiced public accountancy as a Certified Public Accountant under a current, valid license issued by any state for four of the last ten years.

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code.
Reference: Section 5096 Business and Professions Code.

28. Notification.

(a) To obtain a practice privilege, an individual meeting the requirements of Section 27 shall notify the Board by submitting the fully completed Notification Form provided at the end of this Section or the electronic equivalent provided by the Board on its Web site, and shall pay the fee as required by Sections 31 and 70. Except for the electronic signature which is provided for in subsection (c), the electronic version of the form shall be identical in content to the paper version of the Notification Form provided at the end of this section.

(b) The license which shall be reported on Item 3 of "Qualification Requirements" on the Notification Form and "the license upon which the substantial equivalency is based" referenced in subdivision (e) of Business and Professions Code Section 5096 is the license under which an individual qualifies for a practice privilege pursuant to subsection (a) of Section 27, or the license in the state of the principal place of business for an individual who qualifies for a practice privilege under subsection (b) or (c) of Section 27.

(c) The electronic version of the Notification Form shall provide for a certification and electronic signature as follows:

I understand that any misrepresentation or omission in connection with this notification disqualifies me from the California practice privilege and is cause for termination. Further I authorize the California Board of Accountancy to act accordingly, including notifying other state or federal authorities. By typing my name in the box below and clicking the "I Agree" button I certify under penalty of perjury under the laws of the State of California that the ***forgoing*** information ***contained in this notice*** is true and correct. If I am not prepared to so certify, I understand that I should click the "Cancel" button to discontinue the notification process.

Full name _____

I Agree _____

Cancel _____

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code.
Reference: Section 5096 Business and Professions Code and Section 1633.2 Civil Code.



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**NOTIFICATION AND AGREEMENT TO CONDITIONS FOR THE PRIVILEGE TO
 PRACTICE PUBLIC ACCOUNTING IN CALIFORNIA PURSUANT TO CALIFORNIA BUSINESS AND
 PROFESSIONS CODE SECTION 5096 AND TITLE 16, DIVISION 1, ARTICLE 4 OF THE
 CALIFORNIA CODE OF REGULATIONS:**

Name: _____ Prior Name(s): _____

Firm Name: _____

Address of Principal Place of
 Business (mailing address): _____

Address of Record
 (if different than address above): _____

Telephone Number _____ Fax Number _____
(business hours): (business Business
(Business Hours) hours): E-mail: _____

Date Of Birth: ____ / ____ / ____ Social Security Number: _____

QUALIFICATION REQUIREMENTS:

I state as follows:

1. ☐ I am an individual.
2. ☐ My principal place of business is not in California, and I do not have an office in California other than through a firm that is registered in California and of which I am an employee or an employee/owner; **OR**
☐ I have a pending application for licensure in California under Sections 5087 and 5088.
3. ☐ I qualify for a practice privilege based on my current, valid license to practice public accountancy in the following state:

State: _____ License Number: _____ Date Issued: _____ License Expiration Date: _____

4. ☐ a. The ~~state of licensure~~ **license** identified in Item 3 is deemed substantially equivalent by the California Board of Accountancy (CBA) **(see Appendix 1 for a list of substantially equivalent states)**; **OR**
☐ b. My individual qualifications have been determined by NASBA to be substantially equivalent (NASBA file no. _____); **OR**
☐ c. I have continually practiced public accountancy as a certified public accountant under a valid license issued by any state for 4 of the last 10 years.
5. ☐ I am submitting this notice to the CBA at or before the time I begin the practice of public accountancy in California; **OR**
☐ (This option is only available through December 31, 2007.) I am submitting this notice within five business days after I began the practice of public accountancy in California on ____ / ____ / ____ . My reason(s) for not providing notice on or before that date: _____

6. ☐ I have met the continuing education requirements and any exam requirements for the state of licensure identified in Item 3 above.

I consent and agree to the following:

7. ☐ To comply with the laws of the State of California, including the California Accountancy Act (Business and Professions Code Section 5000 et seq., accessible at http://www.dca.ca.gov/cba/acnt_act.htm) and the regulations thereunder (accessible at <http://www.dca.ca.gov/cba/regs.htm>).
8. ☐ To the personal and subject matter jurisdiction of the CBA including, but not limited to, the following:
a. To suspend or revoke, without prior notice or hearing and in the sole discretion of the CBA or its representatives, the privilege to practice public accounting;
b. To impose discipline for any violation of the California Accountancy Act or regulations thereunder and recover costs for investigation and prosecution; and
c. To provide information relating to a practice privilege and/or refer any additional and further discipline to the board of accountancy of any other state and/or the SEC, PCAOB or other relevant regulatory authorities.
9. ☐ To respond fully and completely to all inquiries by the CBA relating to my California practice privilege, including after the expiration of this privilege.
10. ☐ To the authority of the CBA to verify the accuracy and truthfulness of the information provided in this notification. I consent to the release of all information relevant to the CBA's inquiries now or in the future by:
a. Contacting other state agencies;
b. Contacting the SEC, PCAOB or any other federal agency before which I am authorized to practice; and
c. Contacting NASBA.
11. ☐ In the event that any of the information in this notice changes, to provide the CBA written notice of any such change within 30 days of its occurrence.
12. ☐ To **concurrently timely** submit the fee of \$100.00.

REQUIREMENTS FOR SIGNING ATTEST REPORTS:

I wish to be able to sign an attest report under this practice privilege and, if so, I have at least 500 hours of experience in attest services. ☐ Yes ☐ No

DISQUALIFYING CONDITIONS:

Please check any of the items below that apply. For any items checked "yes" in (A) – (G), you must provide additional information as requested in Attachment X 1, and you are not authorized to practice in California unless and until you receive notice from the CBA that the privilege has been granted.

- | | | | |
|--------------------------|--------------------------|----|---|
| Y | N | A. | <u>I have been convicted of a crime other than a minor traffic violation.</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | | |
| Y | N | B. | <u>I have had a license, registration, permit or authority to practice a profession surrendered, denied, suspended, revoked, or otherwise disciplined or sanctioned except for the following occurrences:</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | | |
- (1) an action by a state board of accountancy in which the only sanction was a requirement that the individual complete specified continuing education courses.
- (2) the revocation of a license or other authority to practice public accountancy, other

than the license upon which the practice privilege is based, solely because of failure to complete continuing education or failure to renew.

- ☐ Y ☐ N C. I am currently the subject of an investigation, inquiry or proceeding by or before a state, federal, or local court or agency (including the PCAOB) involving my professional conduct.
- ☐ Y ☐ N D. I have an unresolved administrative suspension or an unpaid fine related to a prior California practice privilege.
- ☐ Y ☐ N E. I did not respond to a request for information from the CBA related to a prior practice privilege.
- ☐ Y ☐ N F. I have been notified by the CBA that prior Board approval is required before practice under a new practice privilege may commence.
- ☐ Y ☐ N G. I have had a judgment or arbitration award against me involving my professional conduct in the amount of \$30,000 or greater.

REQUIRED ADDITIONAL INFORMATION:

Do you ~~I~~ currently hold a California Practice Privilege? ☐ Yes ☐ No

When does it expire? Expiration date: _____

I have ~~Have you ever~~ held a California CPA/PA license? ☐ Yes ☐ No License number: _____

In addition to the state of licensure identified in Item 3, I am also authorized to practice in the following:

State: _____ License Number: _____ Other Authority: _____

State: _____ License Number: _____ Other Authority: _____

An answer of "no" to any of the following statements does not disqualify you from a California practice privilege.

I am an associated person of a firm registered with the PCAOB. ☐ Yes ☐ No

My firm has undergone peer review within the last three years. ☐ Yes ☐ No

The state of licensure identified in Item 3 requires CE in fraud detection. ☐ Yes ☐ No

If yes, I have fulfilled this requirement. ☐ Yes ☐ No

I, _____, understand that any misrepresentation or omission in connection with this notification disqualifies me from the California practice privilege and is cause for termination. Further I authorize the California Board of Accountancy to act accordingly, including notifying other state or federal authorities. I certify under penalty of perjury under the laws of the State of California that the foregoing information is true and correct.

Signature: _____ Date: _____

Unless you have checked "Y" to any items A-G under Disqualifying Conditions, Your your privilege to practice commences with the submission of your properly completed notification unless and your fee is not received within 30 days. Your fee must be received within 30 days. Your privilege expires at the end of one year from the date of submission of this notification.

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**ATTACHMENT X 1**

Name: _____ **Unique Identifier:** _____

1. If you checked "yes" to any of items A – G under disqualifying conditions, please provide explanatory details:

2. If you checked "yes" to Item G under disqualifying conditions, please also provide:

Date of Judgment/
Arbitration Award: _____ Jurisdiction/Court: _____ Docket No: _____

PERSONAL INFORMATION COLLECTION AND ACCESS PRIVACY STATEMENT: The information provided in this form will be used by the California Board of Accountancy to determine whether you qualify for practice privileges in California. Sections ~~5080 through 5095~~ **5096 through 5096.11** of the Business and Professions Code authorize the collection of this information. Failure to provide any of the required information is grounds for rejection of the form as being incomplete. Information provided may be transferred to the Department of Justice, a District Attorney, a City Attorney, or to another government agency as may be necessary to permit the Board, or the transferee agency, to perform its statutory or constitutional duties, or otherwise transferred or disclosed as provided in Civil Code Section 1798.24. Each individual has the right to review his or her file, except as otherwise provided by the Information Practices Act. **Certain information provided may be disclosed to a member of the public, upon request, under the California Public Records Act.** The Executive Officer of the California Board of Accountancy is responsible for maintaining the information in this form, and may be contacted at 2000 Evergreen Street, Suite 250, Sacramento, CA 95815, telephone number (916) 263-3680 regarding questions about this notice or access to records.